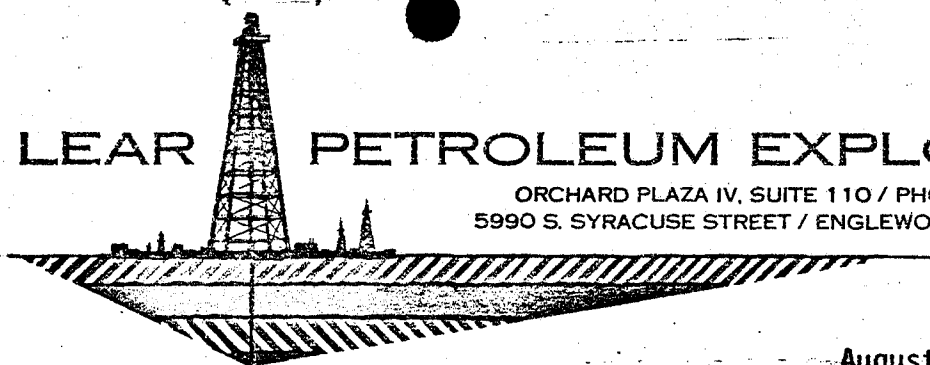


LEAR PETROLEUM EXPLORATION, INC.

ORCHARD PLAZA IV, SUITE 110 / PHONE 303/740-8212
5990 S. SYRACUSE STREET / ENGLEWOOD, COLORADO 80111



August 17, 1981

U.S.G.S.
PO Box 1809
Durango, Colorado 81301

Attention: Mr. Carl Barrick

303-247-5144

RECEIVED
AUG 20 1981

DIVISION OF
OIL, GAS & MINING
RE: Lear Petroleum Exploration, Inc.
Canyon Unit No. 42
Sec 24-31S-24E
San Juan County, Utah
Lease #U-15924

Gentlemen:

Enclosed find our Application for Permit to Drill, Ten Point Program, and Multi-Surface Use Plan with Exhibits for the captioned proposed well location. We are also enclosing a copy of the Designation of Agent Form from Phelps Dodge to Lear Petroleum. The originals of this form were mistakenly sent by Phelps Dodge to U.S.G.S., PO Box 25046, M.S.609, Denver, Colorado 80225.

We would appreciate your approval for this well as soon as possible, as we will have a rig ready to move on this location within the next two weeks. This lease expires on August 31, 1981.

If you should have any further questions in regard to the above, please give me a call.

Sincerely,

LEAR PETROLEUM EXPLORATION, INC.

A handwritten signature in dark ink, appearing to read "David F. Banko".

David F. Banko
Drilling & Production Engineer

DFB:mmm
Encl.

cc: State of Utah ✓
Division of Oil, Gas & Mining
Salt Lake City, Utah

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

| | | |
|---|--|---|
| 1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-15924 |
| b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A |
| 2. NAME OF OPERATOR Lear Petroleum Exploration, Inc. | | 7. UNIT AGREEMENT NAME Canyon Unit |
| 3. ADDRESS OF OPERATOR 5990 S. Syracuse St., Suite 110 Englewood, Colorado 80111 | | 8. FARM OR LEASE NAME Canyon Unit |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) At surface 660' FWL, 660' FNL, Sec 24-31S-24E At proposed prod. zone Same | | 9. WELL NO. 2 |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Location is 23 miles northeast of Monticello, Utah | | 10. FIELD AND POOL, OR WILDCAT Wildcat |
| 15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 660' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 24-31S-24E |
| 16. NO. OF ACRES IN LEASE 2,560 | | 12. COUNTY OR PARISH San Juan |
| 17. NO. OF ACRES ASSIGNED TO THIS WELL 10 | | 13. STATE Utah |
| 18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 1 mile | | 20. ROTARY OR CABLE TOOLS Rotary |
| 19. PROPOSED DEPTH 1,200' | | 22. APPROX. DATE WORK WILL START* August 30, 1981 |
| 21. ELEVATIONS (Show whether DF, RT, GR, etc.) G.L. 5,949' | | |

| 23. PROPOSED CASING AND CEMENTING PROGRAM | | | | |
|---|----------------|--------------------|---------------|--------------------------|
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
| 8-3/4" | 7" | 17# H-40 ST&C New | 80' | 20 sks cement to surface |
| 6-1/4" | 4-1/2" | 9.5# K-55 ST&C New | 0'-1,200' | 100 sks |

See attached 10-Point Program and Multi-Surface Use Plan

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 8/28/81

BY: M. J. Minder

RECEIVED
AUG 20
DIVISION OF
OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

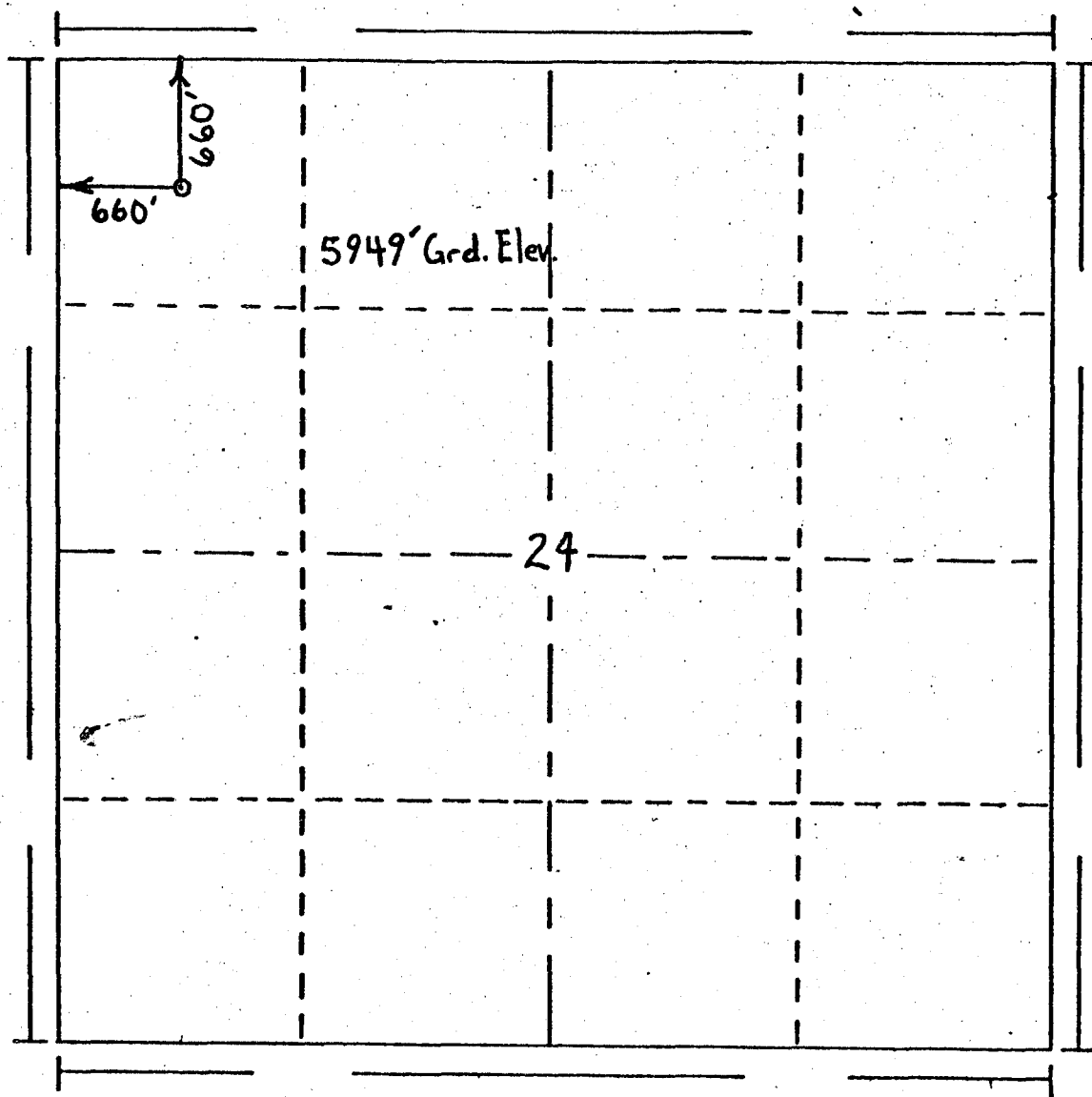
24. SIGNED: David F. Banko TITLE: Drlg & Prod Engineer DATE: August 17, 1981

(This space for Federal or State office use)

PERMIT NO. 43-037-30711 APPROVAL DATE _____
APPROVED BY _____ TITLE _____
CONDITIONS OF APPROVAL, IF ANY: _____



R. 24 E.



T. 31 S.

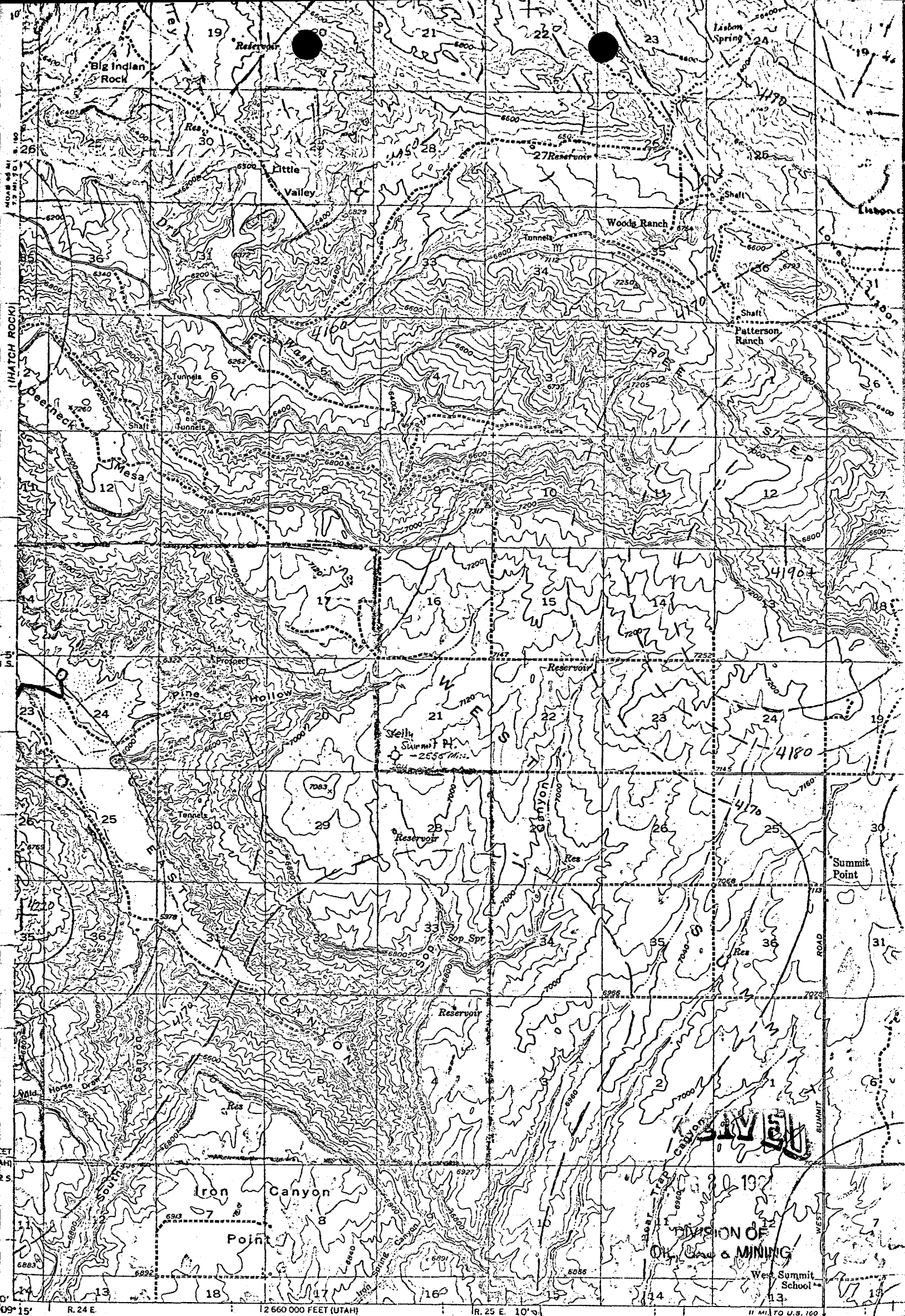
Scale... 1" = 1000'

Powers Elevation of Denver, Colorado
has in accordance with a request from Dave Banko
for Lear Petroleum Inc.
determined the location of Canyon Unit #2
to be 660 FNL & 660 FWL Section 24 Township 31 South
Range 24 East Salt Lake Meridian
San Juan county, Utah

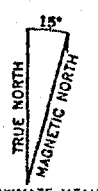
I hereby certify that this plat is an
accurate representation of a correct
survey showing the location of

Date: Aug 7, 1981

T. Nelson
Licensed Land Surveyor No. 2711
State of Utah

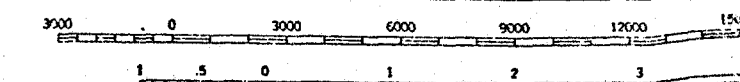


Mapped, edited, and published by the Geological Survey
Control by U.S.C.S. and U.S.C.S.S.
Topography from aerial photographs by multiplex methods
Aerial photographs taken 1953. Advance field check 1954
Polyconic projection. 1927 North American datum
10,000-foot grids based on Utah coordinate system, south zone
and Colorado coordinate system, south zone
Dashed land lines indicate approximate locations
Unchecked elevations are shown in brown



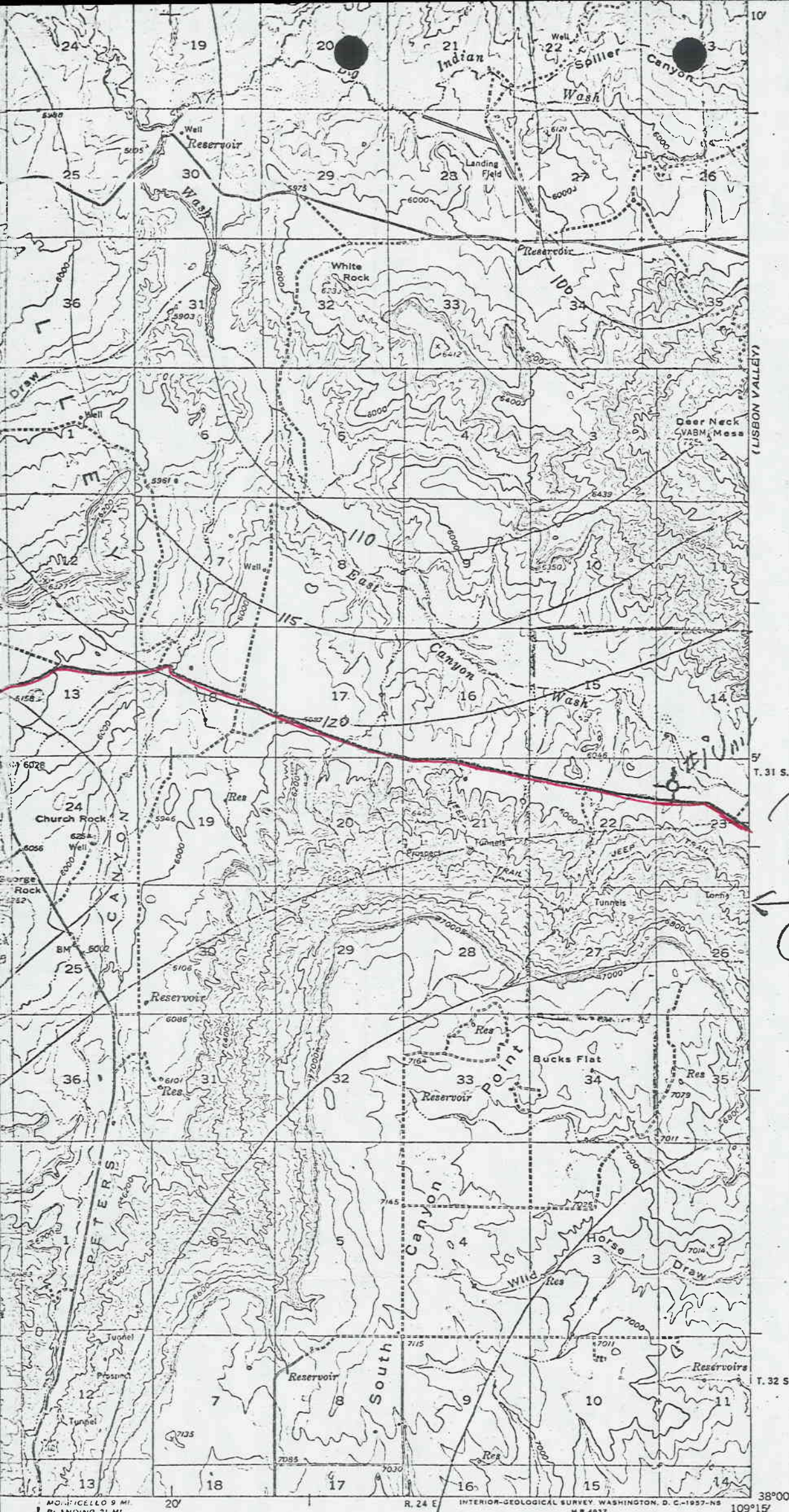
APPROXIMATE MEAN
DECLINATION, 1954

To Be Upgraded



CONTOUR INTERVAL 40 FEET
DATUM IS MEAN SEA LEVEL

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U.S. GEOLOGICAL SURVEY, DENVER 2, COLORADO OR WASHINGTON, D.C.



(LUSBOY VALLEY)

T. 31 S.

T. 32 S.

38°00'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

109°15'

DESIGNATION OF AGENT

Supervisor, Oil and Gas Operations:

The undersigned is, on the records of the Geological Survey,
Unit Operator under the Canyon unit agreement,
San Juan County, Utah (state),
No. 14-08-0001-19627 approved 6-30-81 and hereby
designated:

NAME: LEAR PETROLEUM CORPORATION

ADDRESS: 5990 South Syracuse Street, Suite 110
Englewood, Colorado 80111

as its agent, with full authority to act in its behalf in complying with
the terms of the Unit Agreement and regulations applicable thereto and on
whom the supervisor or his representative may serve written or oral
instructions in securing compliance with the Oil and Gas Operating Regula-
tions with respect to drilling, testing and completing unit well
No. 2, in the 1/4 1/4 Sec. 15, T. 31S, R. 24E,
San Juan County, UTAH.

It is understood that this designation of agent does not relieve
the Unit Operator of responsibility for compliance with the terms of the
unit agreement and the Oil and Gas Operating Regulations. It is also
understood that this designation of agent does not constitute an assignment
of any interest under the unit agreement or any lease committed thereto.

In case of default on the part of the designated agent, the Unit
Operator will make full and prompt compliance with all regulations, lease
terms, or orders of the Secretary of the Interior or his representative.

The Unit Operator agrees promptly to notify the oil and gas
supervisor of any change in the designated agent.

This designation of agent is deemed to be temporary and in no
manner a permanent arrangement.

This designation is given only to enable the agent herein
designated to drill the above-specified unit well. Unless sooner
terminated, this designation shall terminate when there is filed in
the appropriate district office of the U. S. Geological Survey a completed
file of all required Federal reports pertaining to subject well. It is
also understood that this designation of agent is limited to field
operations and does not cover administrative action requiring specific
authorization of the Unit Operator.

Phelps Dodge Fuel Development Corp.
Unit Operator

Robert L. Barte
Assistant Secretary

By Donald O. Rausch
Its Vice President, Donald O. Rausch

TEN POINT PROGRAM

1) SURFACE FORMATION: Navajo

2 & 3) ESTIMATED TOPS: (Water, Oil, Gas or Mineral bearing formations)

| | | |
|---------|---------|---|
| Navajo | Surface | Wet sandstone |
| Kayenta | 280' | Wet siltstones & shales |
| Wingate | 585' | shales |
| Chinle | 875' | Sandstone & shale. Some gas and oil bearing |

Total Depth 1,200'

4) CASING PROGRAM:

| | | | | | |
|--------|------|------|------------------|-----------|------------|
| 8-3/4" | 7" | H-40 | 17#/ft ST&C New | 0'-80' | 20 sks cem |
| 6-1/4" | 4.5" | K-55 | 9.5#/ft ST&C New | 0'-1,200' | 100 sks |

5) PRESSURE CONTROL:

Rotating head

Note: Uranium test in Sec 23-31S-24E was drilled to 1,412' w/air & encountered no pressure.

6) MUD PROGRAM:

0'-TD (1,200') Compressed air

7) AUXILLIARY EQUIPMENT:

A) Kelly cock

B) BOP available if necessary

8) LOGGING: Laterolog across zones of interest

CORING: None

TESTING: As necessary

STIMULATION: Acid breakdown job to be designed per thickness of pay and evaluation of zone of interest.

9) ABNORMAL PRESSURE: This firm does not anticipate any abnormal pressure of temperatures or any other hazards. This is based on previous geological data from nearby wells.

10) ANTICIPATED STARTING DATE: August 30, 1981

DURATION OF OPERATION: Drilling - 3 days
Completion - 7 days

CANYON UNIT #2
NW NW Sec 24-31S-24E
San Juan County, Utah
U.S. Lease #U-15924

SURFACE USE AND OPERATIONS PLAN

WELL LOCATION AND INTRODUCTION - The wellsite is located 660' FWL, 660' FNL, Section 24, Township 31 South, Range 24 East and is an acceptable site as determined at a joint field inspection on August 12, 1981. Attending were Reed Wilson, BLM; Don Englishman and Terry Galloway, USGS; Dean McClellan, MacDonald Construction; Fred Frampton, Archeologist - Powers Elevation; Gerald Huddleston, Surveyor - Powers Elevation; Dave Banko, Lear Petroleum.

Forty-eight hours prior to location construction and rehabilitation, the San Juan Resource Area will be notified.

DIRECTIONS TO LOCATION - From Monticello, Utah, travel north 15 miles; then east on a county road 6 miles; then north 0.7 mile to location. See map.

1. EXISTING ROADS

The well is an exploratory well.

Existing roads within 1 mile along with surface type, condition and load capacity are as follows: Crowned, ditched, graveled county road at approximately 0.5 mile south of location. Mr. Dick Traister of the San Juan Road Department will be contacted prior to road usage.

No improvement or maintenance is necessary.

2. PLANNED ACCESS ROADS

Running surface width to be approximately 16 feet and total disturbed width to be under 16 feet. Road will be crowned if well becomes a producer.

Maximum grades are 4% for 500 feet.

Drainage will consist of

Low water crossings as follows: At all drainage crossings, rock bottoms will be built if well is a producer. Rock to be obtained from a commercial source.

Surfacing material

Road crown to be built with material from borrow ditches.

Topsoil will be buried in road crown.

No additional surfacing materials necessary.

No major road cuts and fills are necessary.

Fence cuts, gates and cattleguards will not be required.

3. LOCATION OF EXISTING WELLS

Within a (2 mile radius)

No drilling

No Shut-In

No disposal

No producing

No temporarily abandoned

No injection

Wells were noted upon inspection except Canyon Unit #1 NW NW Sec 23-31S-24E, plugged and abandoned.

4. LOCATION OF EXISTING PRODUCTION FACILITIES OPERATED BY LEAR PETROLEUM EXPLORATION

There are none within a 2 mile radius.

NEW PRODUCTION FACILITIES PROPOSED

Facilities to be constructed on location as shown on attached production layout plan.

Dimension of proposed facility is 100' x 200'.

Site preparation for production will be done with standard excavation equipment using native materials. Additional surfacing material will be obtained from commercial sources or an approved borrow area.

Production equipment will be painted standard BLM light tan. Gas and oil handling equipment will be light reflective to avoid overheating of production and to limit evaporation due to solar radiation.

Colors which cause increased temperatures from absorption of radiation will not be used due to increased danger of fire and explosion and willful waste of fossil fuels from excessive evaporation. Color requirements to the contrary by management agencies must include consideration of these factors.

Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests.

All pits will be fenced on all sides.

No facilities to be constructed off location

Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area backsloping and contouring all cut and fill slopes. These areas will be reseeded. Refer to plans for restoration of surface for details.

Pits which contain oil will be overhead flagged.

5. LOCATION AND TYPE OF WATER SUPPLY

No water will be transported to location. Well to be air drilled.

6. SOURCE OF CONSTRUCTION MATERIALS

Construction materials will consist of native material from borrow ditches and location area.

No surfacing materials will be obtained.

No access roads to source of materials are necessary.

7. WASTE DISPOSAL

Cuttings will be buried in reserve pit.

Drilling fluid: Will be buried in reserve pit when pit is dry.

Produced fluid: Will be contained in flare pit and will be buried when pit is dry. If sufficient fluids are produced during testing they will be contained in tanks.

Garbage and other waste: Burnable garbage will be contained in trash pit. Pit will be totally enclosed with wire mesh fence. Trash will be hauled upon completion of operations to an acceptable dump site. Trash will be picked up if scattered and contained in trash pit as soon as practical after the rig is moved off. Reserve pit will be fenced on all four sides and left until dry at which time it will be buried.

Upon the release of the drilling rig, the surface of the drilling pad will be prepared to accommodate a completion rig, if testing indicates potential productive zones. In either case, the "mouse hole" and "rat hole" will be covered to eliminate a potential hazard to livestock and wildlife. Debris and excess equipment will be removed prior to final restoration of the location.

8. ANCILLARY FACILITIES

No ancillary facilities will be necessary.

9. WELLSITE LAYOUT

See drill site layout plats for ground contours, cross-sections and drill pad layout with cuts and fills.

Reserve pit will be unlined.

10. SURFACE RESTORATION

Backfilling, leveling, and contouring will be commenced after well completion and reserve pit is dry.

Abandoned wells

The entire disturbed area will be restored by backfilling the reserve pit, re-contouring the reserve pit and location, scarifying to a depth of 6", spreading top-soil and seeding. Access roads will be contoured and seeded unless deemed usable for other activities by the surface management agency. Water bars will be constructed as necessary. Access will be blocked to prevent future use.

Producing wells

Platform and pit areas not needed will be backfilled, recontoured, scarifying to a depth of 6", top-soiled and seeded.

Top Soil

Prior to construction, all top-soil will be removed from the entire site and stockpiled on north edge of location. Top-soil, for this site, is the 8 inches of soil material; or, approximately 250 cubic yards of topsoil will be stockpiled. Stockpiles to remain more than one year will be seeded with an annual grain.

Seeding

The seed mix, based on pure live seed, will be as follows:

- 2 lbs./acre -- Indian ricegrass
- 2 lbs./acre -- Fourwing saltbush
- 2 lbs./acre -- Sand dropseed
- 6 lbs./acre -- Live seed

Seed will be planted after September 1 and prior to ground frost; or seed will be planted after the frost has left and before May 15. Fall seeding is considered the best time to plant.

11. GENERAL INFORMATION

Topographic and geologic features: Location falls on a sandy south facing slope of 4%.

Soil characteristics - Sand and sandy clay.

Flora - Consists of various grasses and fourwing saltbush.

Fauna - None observed, suspect rodents, raptors, reptiles, coyotes, small mammals and domestic grazing.

Surface Ownership

Mineral lessor - BLM

Drillsite surface owner - BLM

Access road surface owner - BLM & San Juan County

Concurrent surface uses - domestic grazing, uranium prospecting

Proximity of water or occupied dwellings and other features - None were observed within two-mile radius.

Archeological, cultural or historical information will be provided in a report by Powers Elevation. If subsurface cultural material is exposed during construction, work will be stopped and the San Juan Resource Area Office will be notified. Unauthorized & willful removal or disturbance of site or artifacts will be grounds for prosecution.

12. LEAR PETROLEUM EXPLORATION REPRESENTATIVE

David F. Banko

(303) 740-8212 (Office)
(303) 740-7135 (Home)

Lear Petroleum Exploration
Suite 110
5990 South Syracuse Street
Englewood, Colorado 80111

13. CERTIFICATION

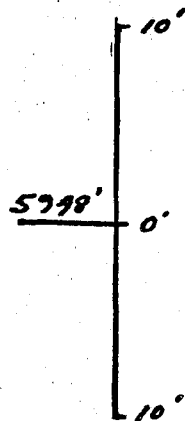
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by LEAR PETROLEUM EXPLORATION, INC., and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

August 17, 1981


David F. Banko, Drilling & Production Engineer

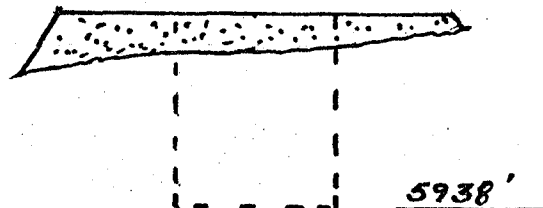
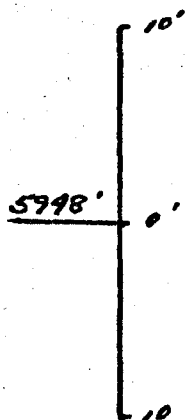
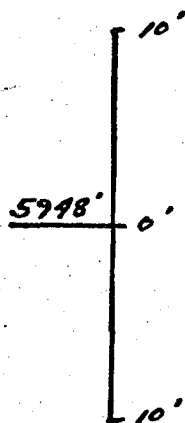


POWERS ELEVATION



Scales: 1" = 50' H.
1" = 10' V.

cut ///
fill





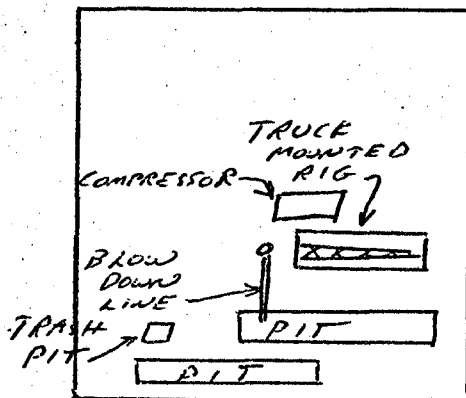
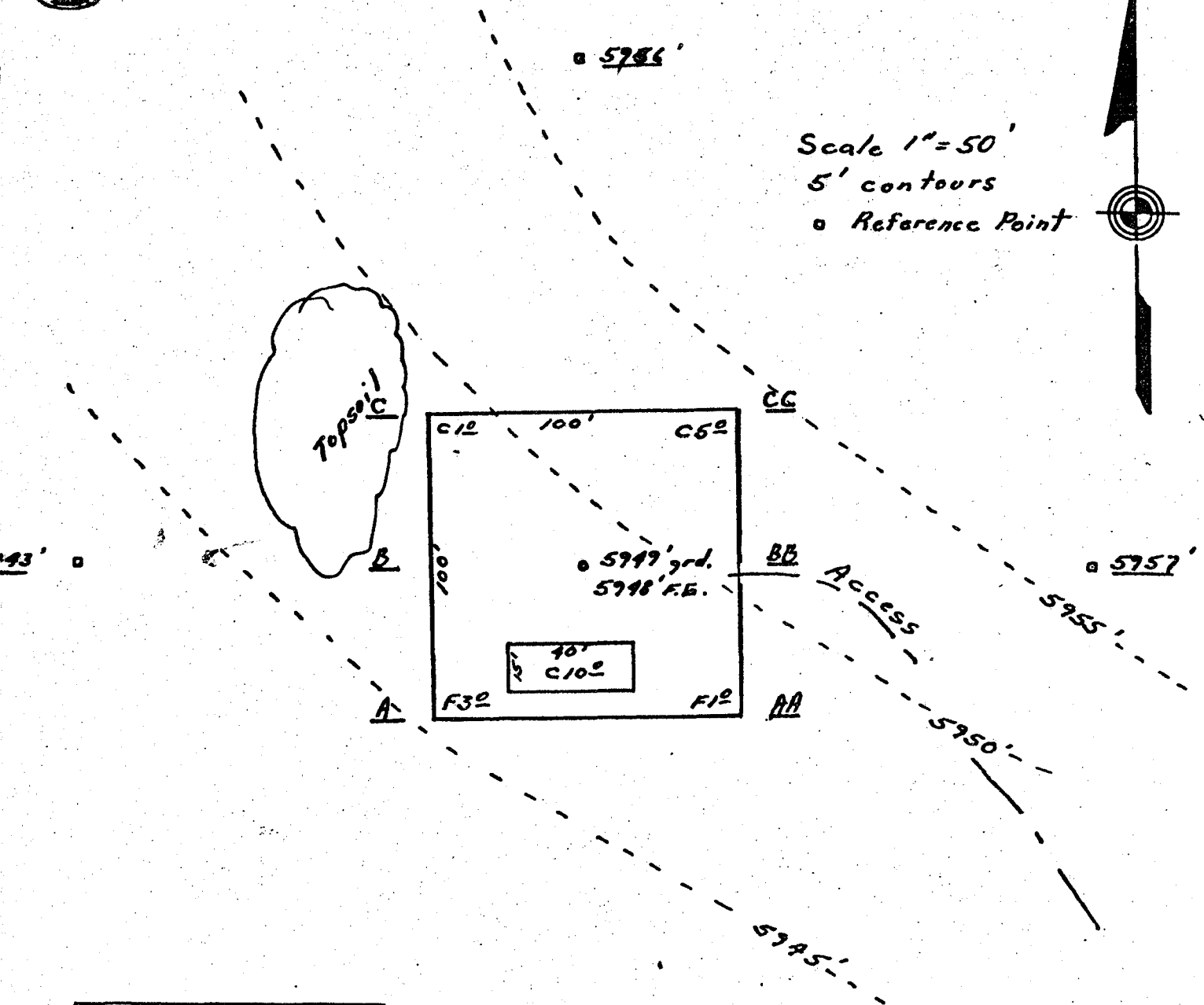
POWERS ELEVATION

N



Scale 1" = 50'
5' contours

• Reference Point

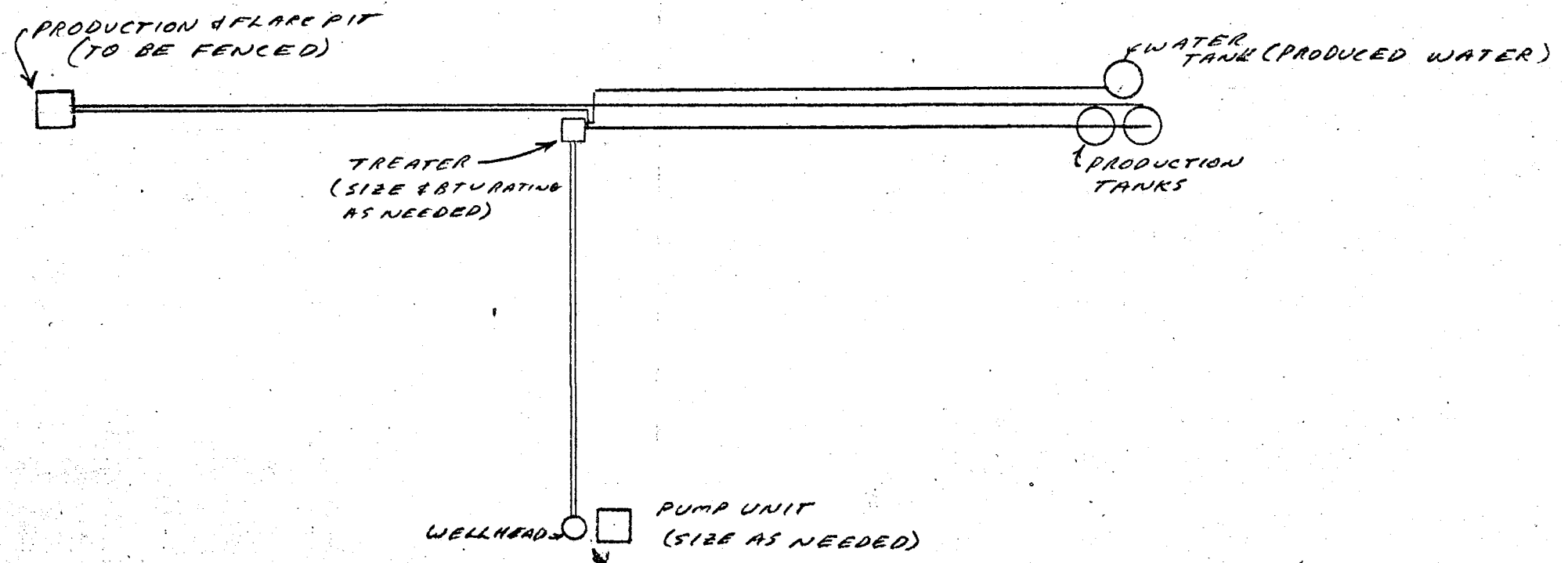


- TRASH PIT TO BE TOTALLY ENCLOSED W/ WIRE MESH
- RESERVE PIT TO BE FENCED W/ 4 STRAND WIRE

OIL PRODUCTION HOOK-UP
LEAR PETROLEUM EXPLORATION

SCHEMATIC

- ORIENTATION AND SIZE OF EQUIPMENT
DEPENDENT ON TOPOGRAPHY AND
QUANTITY OF PRODUCTION



**** FILE NOTATIONS ****

DATE: Aug. 28, 1981
OPERATOR: Lean Petroleum Exploration, Inc.
WELL NO: Canyon Unit #2
Location: Sec. 24 T. 31S R. 24E County: San Juan
File Prepared: ☒ Entered on N.I.D: ☒
Card Indexed: ☒ Completion Sheet: ☒
API Number 43-037-30711

CHECKED BY:

Petroleum Engineer: M.S. Minder 8/28/81

Director: _____

Administrative Aide: Unit Well, skn boundaries

APPROVAL LETTER:

Bond Required: ☐ Survey Plat Required: ☐
Order No. _____ O.K. Rule C-3 ☐
Rule C-3(c), Topographic Exception - company owns or controls acreage
within a 660' radius of proposed site ☐
Lease Designation Fed. Plotted on Map ☐
Approval Letter Written ☐
Hot Line ☒ P.I. ☒

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: Lear Petroleum

WELL NAME: Canyon Unit #2

SECTION NNW 24 TOWNSHIP 31S RANGE 24E COUNTY San Juan

DRILLING CONTRACTOR H.E. Beaman

RIG # 1

SPUDDED: DATE 8-31-81

TIME 4:00 PM

How Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Bret Seipman

TELEPHONE # 259-6147 Ext. 10

DATE 8-31-81 SIGNED DB

September 2, 1981

Lear Petroleum Exploration, Inc.
5990 S. Syracuse St., STE. #110
Englewood, Colo. 80111

RE: Well No. Canyon Unit #2,
Sec. 24, T. 31S, R. 24E,
San Juan County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Section 4U-6-11, Utah Code Annotated 1953; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Petroleum Engineer
Office: 533-3771
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is 43-037-30711.

Sincerely,

DIVISION OF OIL, GAS, AND MINING


Michael T. Minder
Petroleum Engineer

MTM/db
CC: USGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

U-15924

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

Canyon Unit

8. FARM OR LEASE NAME

Canyon Unit

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec 24-31S-24E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

| | |
|--|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | 15. ELEVATIONS (Show whether DF, RT, GR, etc.) |
| 2. NAME OF OPERATOR LEAR PETROLEUM EXPLORATION, INC. | G.L. 5,949' |
| 3. ADDRESS OF OPERATOR 5990 S. Syracuse St., Suite 110, Englewood, Colorado 80111 | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 660' FWL, 660' FNL, Sec 24-31S-24E | |
| 14. PERMIT NO. | |

| | | | |
|---|---|---|--|
| 16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data | | | |
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <u>Information</u> | |
| (Other) <input type="checkbox"/> | | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Spudded well @ 4:00 pm 8/31/81. Set 86' of 7" surface pipe & cem to surf.

Drilling ahead @ 12:01 a.m. 9/1/81.

cc: State of Utah ✓

18. I hereby certify that the foregoing is true and correct

SIGNED

David F. Banko

TITLE

Drilling & Production Engineer

DATE

September 1, 1981

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEYSUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

U-15924

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

Canyon Unit

8. FARM OR LEASE NAME

Canyon Unit

9. WELL NO.

2

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLK. AND
SURVEY OR AREA

Sec 24-31S-24E

12. COUNTY OR PARISH 13. STATE

San Juan

Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1.

OIL WELL ☐ GAS WELL ☐ OTHER ☒

2. NAME OF OPERATOR

Lear Petroleum Exploration, Inc.

3. ADDRESS OF OPERATOR

5990 S. Syracuse St., Suite 110, Englewood, Colorado 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

660' FWL, 660' FNL, Sec 24-31S-24E

14. PERMIT NO.

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

G.R. 5,949'

16.

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF ☐FRACTURE TREAT ☐SHOOT OR ACIDIZE ☐REPAIR WELL ☐

(Other)

PULL OR ALTER CASING ☐MULTIPLE COMPLETE ☐ABANDON* ☐CHANGE PLANS ☐

SUBSEQUENT REPORT OF:

WATER SHUT-OFF ☐FRACTURE TREATMENT ☐SHOOTING OR ACIDIZING ☐

(Other)

REPAIRING WELL ☐ALTERING CASING ☐ABANDONMENT* ☐☒(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any
proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent
to this work.)*

Drld 8-3/4" hole to 86', set 7" csg. Drld 6-1/4" hole to TD 1,180'. Expected
to P & A, but decision was made to turn well over to Utah BLM for use as water
supply well.

18. I hereby certify that the foregoing is true and correct

SIGNED

David F. Banko

TITLE

Drilling & Production Engineer

DATE

November 9, 1981

(This space for Federal or State office use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5

3

4

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

| | | | |
|---|-----------------|--|-------------------------|
| 1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input type="checkbox"/> Other <input checked="" type="checkbox"/> | | 5. LEASE DESIGNATION AND SERIAL NO. U-15924 | |
| b. TYPE OF COMPLETION: NEW WELL <input type="checkbox"/> WORK OVER <input type="checkbox"/> DEEP-EN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other <u>water well</u> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A | |
| 2. NAME OF OPERATOR Lear Petroleum Exploration, Inc. | | 7. UNIT AGREEMENT NAME Canyon Unit | |
| 3. ADDRESS OF OPERATOR 5990 S. Syracuse St., Suite 110, Englewood, Colorado 80111 | | 8. FARM OR LEASE NAME Canyon Unit | |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)* At surface 660' FWL, 660' FNL, Sec 24-31S-24E At top prod. interval reported below At total depth same <div style="text-align: center;">NWNW</div> | | 9. WELL NO. 2 | |
| 14. PERMIT NO. 43-047-30711 | | 10. FIELD AND POOL, OR WILDCAT Wildcat | |
| DATE ISSUED 8/28/81 | | 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec 24-31S-24E | |
| 15. DATE SPUDDED 8/31/81 | | 12. COUNTY OR PARISH San Juan | |
| 16. DATE T.D. REACHED 9/2/81 | | 13. STATE Utah | |
| 17. DATE COMPL. (Ready to prod.) 9/4/81 | | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* G.R. 5,949' | |
| 20. TOTAL DEPTH, MD & TVD 1,180' | | 19. ELEV. CASINGHEAD -- | |
| 21. PLUG, BACK T.D., MD & TVD -- | | 23. INTERVALS DRILLED BY ROTARY TOOLS 0-1,180' | |
| 22. IF MULTIPLE COMPL., HOW MANY* -- | | CABLE TOOLS -- | |
| 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* None | | 25. WAS DIRECTIONAL SURVEY MADE? No | |
| 26. TYPE ELECTRIC AND OTHER LOGS RUN Dresser GR/BHC/AL, IEL/SP | | 27. WAS WELL CORED? No | |
| 28. CASING RECORD (Report all strings set in well) | | | |
| CASING SIZE | WEIGHT, LB./FT. | DEPTH SET (MD) | HOLE SIZE |
| 7" | | 86' | 8-3/4" |
| | | | CEMENTING RECORD |
| | | | Cem to surface |
| | | | AMOUNT PULLED |
| | | | |
| 29. LINER RECORD | | | |
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* |
| | | | SCREEN (MD) |
| | | | |
| 30. TUBING RECORD | | | |
| SIZE | DEPTH SET (MD) | PACKER SET (MD) | |
| | | | |
| 31. PERFORATION RECORD (Interval, size and number) None | | | |
| 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | | | |
| DEPTH INTERVAL (MD) | | AMOUNT AND KIND OF MATERIAL USED | |
| | | | |
| | | | |
| | | | |
| 33.* PRODUCTION | | | |
| DATE FIRST PRODUCTION N/A | | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) -- | |
| | | WELL STATUS (Producing or shut-in) Stock water supply well | |
| DATE OF TEST | HOURS TESTED | CHOKE SIZE | PROD'N. FOR TEST PERIOD |
| | | | |
| FLOW. TUBING PRESS. | CASING PRESSURE | CALCULATED 24-HOUR RATE | OIL—BBL. |
| | | | |
| | | GAS—MCF. | WATER—BBL. |
| | | | |
| | | OIL GRAVITY-API (CORR.) | |
| | | | |
| 34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) | | TEST WITNESSED BY | |
| | | | |
| 35. LIST OF ATTACHMENTS | | | |
| | | | |
| 36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records | | | |
| SIGNED <u>David F. Banko</u> | | TITLE <u>Drilling & Production Engineer</u> | |
| | | DATE <u>November 9, 1981</u> | |

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. | GEOLOGIC MARKERS | | |
|-----------------------------|-----|--------|-----------------------------|------------------|-------------|-------------------------|
| | | | | NAME | MEAS. DEPTH | TOP TRUE VERT. DEPTH |
| No DST's or cores were run. | | | | | | |



LEAR PETROLEUM EXPLORATION, INC.

ORCHARD PLAZA IV, SUITE 110 / PHONE 303/740-8212
5990 S. SYRACUSE STREET / ENGLEWOOD, COLORADO 80111

November 11, 1981

U.S.G.S.
Conservation Division
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104-3884

Attention: Dee Dearth

RE: Lear Petroleum Exploration, Inc.
Canyon Unit #2 Well
Sec 24-31S-24E
San Juan County, Utah
U-15924

Gentlemen:

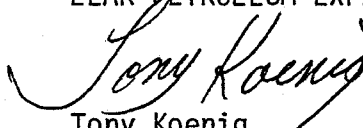
Enclosed please find original and two copies of Form 9-330 and Form 9-331.

It is the intention of Lear Petroleum to turn this well over to the Bureau of Land Management of Utah to be used as a water supply well.

If there are any problems or if I can answer any questions for you, please feel free to contact me so that we may expedite our bond release.

Sincerely yours,

LEAR PETROLEUM EXPLORATION, INC.

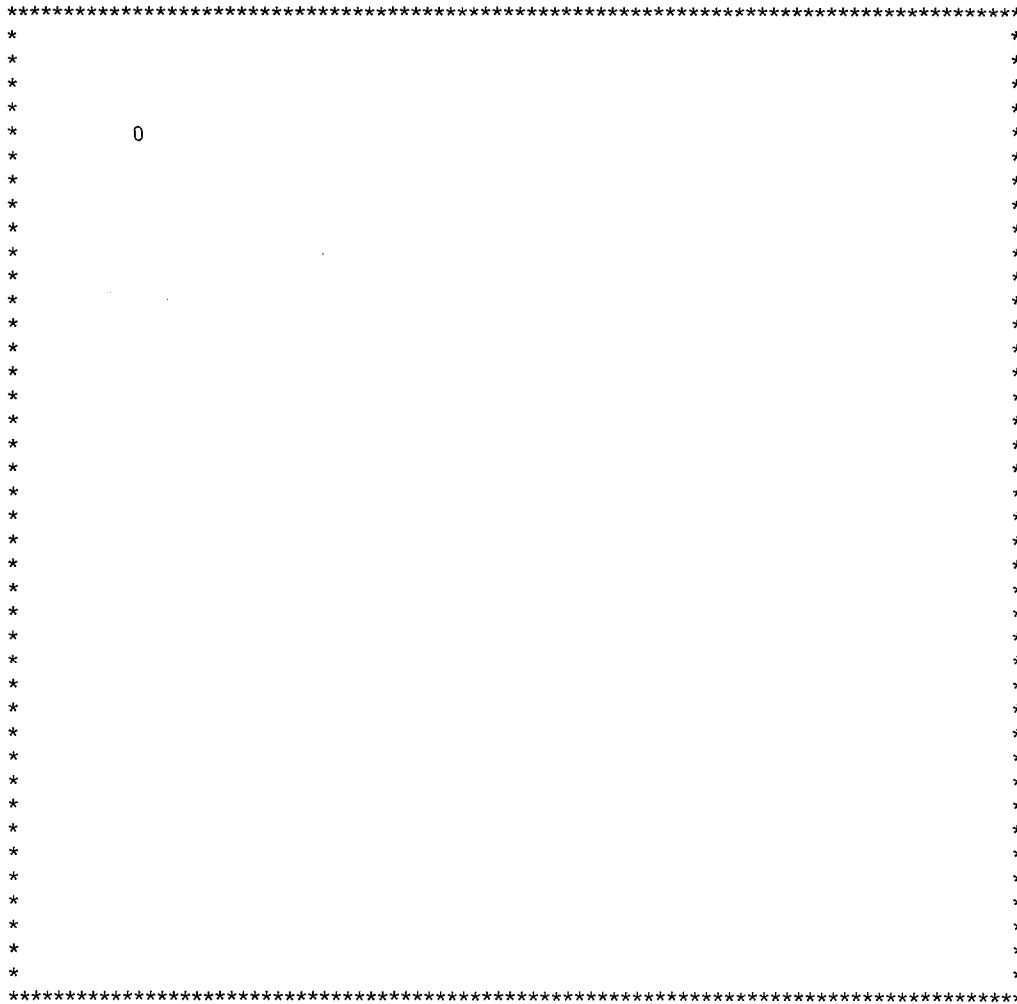


Tony Koenig
Field Engineer

TK:mm
Encl.

cc: U.S.G.S.
Farmington, New Mexico

Utah Oil, Gas, & Mining Div. ✓
Salt Lake City, Utah 84116



UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

| MAP CHAR | WATER RIGHT | QUANTITY | | | SOURCE DESCRIPTION or WELL INFO | | | POINT OF DIVERSION DESCRIPTION | | | | | | | U A P T S U P R | | | | | | |
|---|----------------|----------|--------|-------|---------------------------------|-------|----------|--------------------------------|------|-----|-----|-----|-----|-----|-----------------|----|------|---|----------|---|---|
| | | CFS | AND/OR | AC-FT | DIAMETER | DEPTH | YEAR LOG | NORTH | EAST | CNR | SEC | TWN | RNG | B&M | N | P | R | R | W | P | D |
| 0 | 05 1992 | .0044 | | .00 | 6 | 1180 | N | S | 654 | E | 663 | NW | 24 | 31S | 24E | SL | | | X | X | |
| WATER USE(S): STOCKWATERING USA Bureau of Land Management (Moab Dist 125 West 2nd North) | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | Moab | | UT 84532 | | |